

June 10, 2004

**INCOME THRESHOLDS USED IN IDENTIFYING VETERANS EXEMPT FROM
EXTENDED CARE SERVICE AND OUTPATIENT MEDICATION CO-PAYMENT
AND IN DETERMINING ELIGIBILITY FOR BENEFICIARY TRAVEL**

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides the 2004 income thresholds to be used in identifying veterans who are exempt from the respective co-payment requirements that apply to the receipt of extended care services; it also provides the income threshold to be used in determining a veteran's eligibility for beneficiary travel benefits and exemption of co-payment for medications furnished on an outpatient basis.

2. BACKGROUND: The law requires that the applicable pension rate, as defined under Title 38, United States Code (U.S.C.) Section 1521, is to be used to determine if a veteran is exempt on the basis of such income level from the co-payment requirements that apply to the receipt of extended care services. Such pension rate is also used to determine a veteran's eligibility for beneficiary travel benefits and exemption of co-payment for outpatient medications.

3. POLICY: It is VHA policy that the income thresholds in subparagraphs 4a and 4b be used in determining exceptions from co-payment for extended care services and for determining eligibility for beneficiary travel and exemption of co-payment for outpatient medications.

NOTE: *These income thresholds are adjusted annually and may be found at the following web site: <http://www.vba.va.gov/>*

4. ACTION: Medical Center Directors are responsible for ensuring manual procedures are instituted and maintained to identify veterans who are exempt from the co-payment requirements for outpatient medications and those who are eligible for beneficiary travel benefits based on the following income criteria and need for Aid and Attendance (A&A), or by being housebound (HB). **NOTE:** *This determination is made regardless of whether the veteran is, or would be, eligible for VA pension benefits (see subpar. 4b(2)).*

a. **Extended Care Services.** Veterans are exempt from this co-payment requirement if their household income is at or below the single veteran maximum pension rate. For calendar year (CY) 2004 this rate is \$9,894.

b. **Medication and Beneficiary Travel Eligibility**

(1) Veterans are exempt from medication co-payment requirements and eligible for beneficiary travel benefits if their household income is at or below the maximum pension rate. For CY 2004 this rate is as follows:

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- (a) Single rate. \$9,894.
- (b) With one dependent rate. \$12,959 plus \$1,688 for each additional dependent.

(2) In the case of a veteran determined by VA clinical assessment to be in need of A&A or HB as defined by Title 38 Code of Federal Regulations Sections 3.351(b), 3.351(c), 3.351(d)(2), or 3.352 (a) (see Att. A), the maximum annual pension rate with A&A, or HB, will be used to determine exemption from medication co-payment requirements and eligibility for beneficiary travel benefits. For CY 2004 these rates are as follows:

- | | | |
|--|-----------------|-----------------|
| (a) Single rate. | A&A = \$16,509 | HB = \$ 12,092. |
| (b) With one dependent rate.
plus \$1688 for each additional dependent. | A&A = \$19,570, | HB = \$15,156. |

NOTE: Veterans Health Information Systems and Technology Architecture (Vista) modifications are being planned to automate this process.

5. REFERENCES

- Title 38 U.S.C. §§ 111.
- Title 38 U.S.C. §§ 1503.
- Title 38 U.S.C. §§ 1521.
- Title 38 U.S.C. §§ 1710B.
- Title 38 U.S.C. §§ 1722A.

6. FOLLOW-UP RESPONSIBILITY: Chief Business Officer (16) is responsible for the content of the Directive. Questions may be referred to (202) 254-0406.

7. RESCISSION: VHA Directive 99-006 is rescinded. This VHA Directive expires December 31, 2008.

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Acting Under Secretary for Health

DISTRIBUTION: CO: E-mailed 6/15/04
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ATTACHMENT A

AID AND ATTENDANCE CLINICAL DETERMINATION

1. The Aid and Attendance (A&A), or Housebound (HB) clinical determination is used for determining applicable income threshold for exemption of medication co-payment and beneficiary travel eligibility

2. The veteran must meet the definition A&A as defined by Title 38 Code of Federal Regulations (CFR) Sections 3.351(b), 3.351(c), 3.351(d)(2), or 3.352 (a) (see the following). The maximum annual rate of pension rate with A&A will be used to determine exemption from medication co-payment requirements and eligibility for beneficiary travel benefits.

a. For A&A consider the: inability of the veteran to dress or undress or to keep ordinarily clean and presentable; frequent need of adjustment of any special prosthetic or orthopedic appliances which by reason of the particular disability cannot be done without aid (this will not include the adjustment of appliances which normal persons would be unable to adjust without aid, such as supports, belts, lacing at the back, etc.); inability of the veteran to feed oneself through loss of coordination of upper extremities or through extreme weakness; inability to attend to the wants of nature; or incapacity, physical or mental, which requires care or assistance on a regular basis to protect the claimant from hazards or dangers incident to the veteran's daily environment.

b. "Bedridden" is a proper basis for the determination. For the purpose of this Directive "bedridden" is that condition which, through its essential character, actually requires that the claimant remain in bed. The fact that claimant has voluntarily taken to bed or that a physician has prescribed rest in bed for the greater or lesser part of the day to promote convalescence or cure will not suffice. It is not required that all of the disabling conditions enumerated in this paragraph be found to exist before a favorable rating may be made. The particular personal functions which the veteran is unable to perform should be considered in connection with the veteran's condition as a whole. It is only necessary that the evidence establish that the veteran is so helpless as to need regular aid and attendance, not that there be a constant need. Determinations that the veteran is so helpless, as to be in need of regular aid and attendance will not be based solely upon an opinion that the veteran's condition is such as would require the veteran to be in bed. They must be based on the actual requirement of personal assistance from others.

3. The veteran must meet the definition of "permanently housebound" as defined by 38 CFR 3.351(d)(2) (see the following). The maximum rate of pension with HB will be used to determine exemption from medication co-payment requirements and eligibility for beneficiary travel benefits.

a. The veteran is substantially confined to the veterans dwelling and the immediate premises, or

b. If institutionalized, the veteran is confined to the ward or clinical area, and

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c. It is reasonably certain that the veteran's disability, or disabilities, and resultant confinement will continue throughout the veterans lifetime.